

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

NOTICE OF PRICE ADJUSTMENT

Docket No. R2013-1

UNITED STATES POSTAL SERVICE NOTICE OF ERRATA TO
NOTICE OF MARKET-DOMINANT PRICE ADJUSTMENT
(November 8, 2012)

The United States Postal Service hereby provides notice of errata to its Notice of Market-Dominant Price Adjustment (Notice), including Attachments A, B, and D, filed on October 11, 2012. These changes reflect changes necessary to conform to the errata to USPS-LR-R2013-1/2, USPS-LR-R2013-1/3, USPS-LR-R2013-1/4, and USPS-LR-R2013-1/5, also filed today. The changes are as follows:

Notice

- On page 6, Table 3, Standard Mail row, change “2.570” to “2.541”, Periodicals row, change “2.560” to “2.549”, and in Package Services row, change “2.569” to “2.567”
- On pages 6 and 7, Table 4, Standard Mail section, change “0.000” to “0.029”, and Total “-0.380” to “-0.351”; Periodicals section, change “0.010” to “0.021”, and Total “-0.552” to “-0.541”; Package Services section, change “0.001” to “0.003”, and Total “-0.532” to “-0.530”
- On page 19, Table 8, change “2.207” to “2.206”, “3.133” to “3.147”, and “2.570” to “2.541”

- On page 27, Table 9, change “2.546” to “2.535”, “2.911” to “2.903”, and “2.560” to 2.549”
- On page 28, Table 10, fourth row, change “3.472” to “3.469”, and 6th row, change “2.569” to “2.567” for overall.
- On page 53, paragraph 2, first line, change “at 100” to “at or below 100”
- On page 55, change “Change-of-Address Customer Confirmation Letter Reprint” to “Change-of-Address Customer Notification Letter Reprint”

Attachment A

- On pages 14, 32, 39, and 49, correct listing of what qualifies for Picture Permit promotion to include flats
- On page 32, add Simple Samples promotion to High Density and Saturation product prices
- On pages 39 and 53, correct listing of what qualifies for Simple Samples promotion to replace “marketing parcels” with High-Density and Saturation parcels, Carrier Route parcels, and Marketing Parcels (in the Parcels product).
- On page 58, correct editorial per piece adjustment from \$0.00101 to \$0.00104
- On page 111, first paragraph, change “Change-of-Address Customer Confirmation Letter Reprint” to “Change-of-Address Customer Notification Letter Reprint” in the heading and the first line.

Attachment B

- On page 11, Worksheet “Standard Mail HD-Sat Letters”, delete line for High Density Plus Letters, including note 3

- On page 12, Worksheet “Standard Mail HD-Sat Flts-Prcls”, delete line for High Density Plus Flats, including note 3
- On page 13, Worksheet “Media Mail and Library Mail”, change the values in 4 cells. Cell F18 change “0.47” to “0.44”. Cell H18 change “100.0%” to “93.6%”. Cell F19 change “0.39” to “0.37”. Cell H19 change “100%” to “94.9%”.
- On page 15, Worksheet “Bound Printed Parcels” change values in 9 cells. Change cell F6 from “0.670” to “0.640”. Change cell F12 from “0.050” to “0.059”. Change cell F13 from “0.056” to “0.066”. Change cell F14 from “0.053” to “0.063”. Change cell F16 from “0.054” to “0.064”. Change cell F17 from “0.036” to “0.046”. Change cell F18 from “0.047” to “0.046”. Change cell F24 from “0.762” to “0.765”. Change cell H24 from “96.6%” to “97.0%”.

Attachment D

- On page 12, change last line of Program Description to “Mail® High Density and Saturation parcels, Carrier Route parcels, and Marketing Parcels that contain product samples”
- Change Eligible Mail Classes to “Standard Mail® Regular and Nonprofit High Density and Saturation parcels, Carrier Route parcels, and Marketing Parcels”

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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Table 3
2013 Price Change Percentage by Mail Class

Class	Percent Change
First-Class Mail	2.570
Standard Mail	2.541
Periodicals	2.549
Package Services	2.567
Special Services	2.850

F. Unused Pricing Authority Resulting From this Change

For Periodicals and Package Services, this change adds to the unused pricing authority resulting from prior market-dominant price changes under the price cap. The Postal Service calculates the unused price adjustment authority that it will have following this price change as follows:³

Table 4
Unused Pricing Authority Available Following this Price Change

Class	Percentage Points
First-Class Mail	
R2012-3[1]	-0.530
R2013-1[2]	0.000
Total	-0.530
Standard Mail	
R2012-3 [1]	-0.380
R2013-1[2]	0.029
Total	-0.351
Periodicals	
R2012-3 [1]	-0.562
R2013-1 [2]	0.021
Total	-0.541
Package Services	
R2012-3 [1]	-0.533
R2013-1 [2]	0.003

³ To the extent that the calculated percentage change for any class is revised during the course of this proceeding from what has been calculated by the Postal Service in this Notice, the Postal Service notes that the unused price adjustment authority should be adjusted, regardless of the figures set forth in this Table.

Total	-0.530
Special Services	
R2012-3 [1]	2.394
R2013-1 [2]	-0.280
Total	2.114

[1] Docket No. R2012-3, Order No. 987, at 2.

[2] Cap Calculation worksheets (USPS-LR-R2013-1/1 through 5).

II. Promotions

In previous years, the Postal Service has offered seasonal and other temporary price reductions designed to increase the value of mail to both senders and recipients, and to grow volume. In the past, these promotions have been submitted separately from the annual Market-Dominant price change filing.⁴ In this filing, however, the Postal Service seeks approval for a total of six promotions to be held during Calendar Year 2013. Each promotion is outlined below and described in more detail in Attachment D.⁵ By seeking approval for these promotions in this price adjustment, the Postal Service is addressing a primary concern raised by customers: that they did not have sufficient time to fully participate in the promotions.⁶

March-April 2013:

- Mobile Coupon/Click-to-Call: This promotion seeks to increase the value of direct mail by further highlighting the integration of mail with mobile technology in two specific ways. First, the promotion would encourage mailers to integrate hard-copy coupons in the mail with mobile-optimized platforms for redemption. Second, the

⁴ See, e.g. Docket No. R2011-5; Docket No. R2012-6; Docket No. R2012-9.

⁵ The Postal Service has also provided cost estimates for each promotion in the file titled, AttachmentD.xls.

⁶ See, e.g. Docket No. R2011-5, Comments of the American Catalogue Mailers Association, at 1 (April 29, 2011); Docket No. R2011-5, Comments of Quad/Graphics Inc., at 3 (May 3, 2011).

calculations. USPS-LR-R2013-1/1 and 2. The dollar value of this postage credit for First-Class Mail is \$10.2 million.

For Outbound Single-piece First-Class Mail International (FCMI), the Postal Service is increasing prices by 14.3 percent overall, which is significantly above the First-Class Mail average of 2.570 percent. The FCMI adjustment is necessary to increase contribution and improve cost coverage for FCMI Letters at the one-ounce weight step (Factor 2, Factor 12), and to accommodate the introduction of the International Forever™ stamp. The International Forever stamp will be sold at the price of a single-piece First-Class Mail International first ounce machinable letter, and have a postage value equivalent to the price of a single-piece First-Class Mail International first ounce machinable letter in effect at the time of use.

2) Standard Mail

Standard Mail consists of six products: Letters; Flats; Parcels; High Density and Saturation Letters; High Density and Saturation Flats and Parcels; and Carrier Route. Within this class, the prices of Standard Mail products increase as follows:

Table 8
Standard Mail Product Price Changes

Product	Percent Change
Letters	2.722
Flats	2.570
Parcels	3.081
High Density / Saturation Letters	2.212
High Density / Saturation Flats and Parcels	2.283
Carrier Route	3.147
Overall	2.541

approach described in Part III(a)(1). The dollar value of the promotions, for purposes of the Standard Mail price cap compliance calculation, is estimated to be \$19.5 million.

This calculation is explained in more detail in the worksheets titled USPS-LR-R2013-1/2 and 6.

Finally, in Docket No. MC2012-31 (Order No. 1460), the Commission approved the addition of Every Door Direct Mail Retail to the Product List. The approved price is 16 cents. This price adjustment does not propose any changes to the approved price of 16 cents. Similarly, an optional picture permit indicia was approved for letters in Docket No. R2012-7. The approved price of a picture permit for Standard Mail is 2 cents. The Postal Service is not proposing any change to this price in this docket, but is extending the availability of picture permits to flats.

3) Periodicals

The Periodicals class includes magazines and newspapers, and consists of two products: Within County Periodicals, and Outside County Periodicals. The prices for these products change as follows:

Table 9
Periodicals Price Changes

Product	Percent Change
Outside County	2.535
Within County	2.903
Overall	2.549

The Periodicals class has been challenged in terms of cost coverage. It did not cover its attributable costs in FY 2011 (Factor 2, Objective 8). Despite its continued failure to cover its costs, the Postal Service was cognizant of Periodicals' value to the

public when making its pricing decisions (Factor 8, Factor 11). However, since both Periodicals products are failing to cover costs by substantially more than the price cap, the Postal Service cannot use its pricing authority to fully cover costs.

Accordingly, this price change simply refines price relationships to encourage efficiency and containerization, while limiting the price increases for individual publications. The actual price paid by a given publication is the combination of many price elements, so care has been taken to adjust the individual price elements in a manner that limits the resulting postage increases.

4) Package Services

The Package Services class consists of five products: Alaska Bypass Service, Bound Printed Matter Flats, Bound Printed Matter Parcels, Media Mail/Library Mail, and Inbound Surface Parcel Post (at UPU rates). The prices for these products increase as follows:

Table 10
Package Services Price Changes

Product	Percent Change
Alaska Bypass Service	1.890
BPM Flats	0.002
BPM Parcels	3.424
Media Mail and Library Mail	3.469
Inbound Surface Parcel Post	1.552 ²¹
Overall	2.567

Bound Printed Matter (BPM) includes two products: Flats (primarily heavy catalogues), and Parcels (primarily product order fulfillment). The Bound Printed Matter Flats product already covers its costs, and is used by cataloguers, which face

²¹ Prices for Inbound Surface Parcel Post (at UPU rates) are determined by the Universal Postal Union and are not under the control of the Postal Service. These prices are adjusted by the Postal Operations Council.

Package Services

Attachment B contains three tables of workshare discounts, cost avoidances, and passthroughs for Package Services.

Media Mail and Library Mail

All workshare discount passthroughs for Media Mail and Library Mail are either at or below 100 percent. Barcode discounts were eliminated in Docket No. R2012-3, so there are only two remaining discounts: Basic Presort and 5 Digit Presort. The proposed presort discounts match the discounts calculated in the most recent Annual Compliance Determination

Bound Printed Matter Flats and Parcels

All workshare discount passthroughs for Bound Printed Matter Flats and Parcels are either at or below 100 percent. The carrier route discounts remain unchanged in this price adjustment for BPM Parcels but was increased from 0.098 to 0.099 for BPM Flats. The Dropship Discount at the DNDC level was reduced from 0.174 to .0170, consistent with the Commission's FY2011 Annual Compliance Determination.

IV. MCS Product Description Changes

Rule 3010.14(b)(9) requires that this Notice include all the changes to the product descriptions within the MCS that will be necessary to implement the planned price adjustments. Attachment A shows the new prices and related product description changes incorporated into a revised draft of the market-dominant section of the MCS.²⁹

²⁹ This draft is based on the most recent draft MCS provided by the Postal Service in Docket No. RM2011-8, on July 29, 2011. The classification changes are shown in legislative format.

- Allow notice of attempted delivery for Certified Mail, COD, Insurance, and Registered Mail to be provided to the addressee by electronic means, rather than just by paper notice left at the address.
- Add Standard Post (the new name for Parcel Post) as a separate product to the availability lists for the appropriate special services, and to the Delivery Confirmation service price schedule
- Eliminate selected premium options from Stamped Envelopes
- Remove International Outbound Restricted Delivery and International Outbound Reply Coupons, optional services for which, over the years, volume and revenue have steadily declined.
- Add Change-of-Address Customer Notification Letter Reprint and Postal Explorer CD-ROM, two services which previously have been omitted from the MCS, to Address Management Services
- Add footnotes and MASS IMb Quality Testing fee for MASS Certification service
- Update Address Management Services language for Residential Delivery Indicator (RDI) service
- Remove language for FASTforward MLOCR (Multi-line Optical Character Reader) service, which is no longer available
- Expand credit card authentication fee so that it applies to all credit card authentications, rather than just those for filing Change-of-Address requests

Notice of the changes to the DMM implementing these new features are being placed on USPS.com and will be published in the *Federal Register* shortly.

Mobile-Coupon/Click-to-Call Promotion (March 1, 2013 to April 30, 2013)

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats sent during the established program period, and which include a two-dimensional mobile barcode inside or on the mailpiece. The barcode must either lead the recipient to a coupon that can be stored on a mobile device, or enable the recipient to connect by telephone to another person or call center via a mobile device. To receive the discount, mailers must comply with the eligibility requirements of the program.

Emerging Technology Promotion (August 1, 2013 to September 30, 2013)

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats that are sent during the established program period, and that include print that allows the recipient to engage in one of the following:

- 1) an augmented reality experience facilitated by a smartphone or computer,
- 2) authentication of the recipient's identity, or
- 3) an experience facilitated via Near Field Communication.

To receive the discount, mailers must comply with the eligibility requirements of the program.

Picture Permit Promotion (August 1, 2013 to September 30, 2013)

Eliminate the Picture Permit charge for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats that are sent during the established program period, and that include approved Picture Permit Imprint Indicia. To have the Picture Permit charge eliminated, mailers must comply with the eligibility requirements of the program.

Mobile Buy-It-Now Promotion (November 1, 2013 to December 31, 2013)

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats which include a mobile barcode inside or on the mailpiece that facilitates a mobile optimized shopping experience. To receive the discount, the qualifying mail must be sent during the established program period by mailers that comply with the eligibility requirements of the program.

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats that are sent during the established program period, and that include print that allows the recipient to engage in one of the following:

- 1) an augmented reality experience facilitated by a smartphone or computer,
- 2) authentication of the recipient's identity, or
- 3) an experience facilitated via Near Field Communication.

To receive the discount, mailers must comply with the eligibility requirements of the program.

Samples Promotion (parcels only) (August 1, 2013 to September 30, 2013)

Provide a five percent discount on the qualifying postage for Commercial and Nonprofit Standard Mail marketing parcels (Carrier Route, High Density and Saturation, and marketing parcels) that are sent during the established program period, and that contain a product sample. To receive the discount, mailers must comply with the eligibility requirements of the program.

Picture Permit Promotion (August 1, 2013 to September 30, 2013)

Eliminate the Picture Permit charge for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats that are sent during the established program period, and that include approved Picture Permit Imprint Indicia. To have the Picture Permit charge eliminated, mailers must comply with the eligibility requirements of the program.

Mobile Buy-It-Now Promotion (November 1, 2013 to December 31, 2013)

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats which include a mobile barcode inside or on the mailpiece that facilitates a mobile optimized shopping experience. To receive the discount, the qualifying mail must be sent during the established program period by mailers that comply with the eligibility requirements of the program.

Emerging Technology Promotion (letters and flats only) (August 1, 2013 to September 30, 2013)

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats that are sent during the established program period, and that include print that allows the recipient to engage in one of the following:

1) an augmented reality experience facilitated by a smartphone or computer,

2) authentication of the recipient's identity, or

3) an experience facilitated via Near Field Communication.

To receive the discount, mailers must comply with the eligibility requirements of the program.

Picture Permit Promotion (letters and flats only) (August 1, 2013 to September 30, 2013)

Eliminate the Picture Permit charge for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats that are sent during the established program period, and that include approved Picture Permit Imprint Indicia. To have the Picture Permit charge eliminated, mailers must comply with the eligibility requirements of the program.

Samples Promotion (parcels only) (August 1, 2013 to September 30, 2013)

Provide a five percent discount on the qualifying postage for Commercial and Nonprofit Standard Mail ~~marketing~~ parcels (**Carrier Route, High Density and Saturation, and marketing parcels**) that are sent during the established program period, and that contain a product sample. To receive the discount, mailers must comply with the eligibility requirements of the program.

Mobile Buy-It-Now Promotion (letters and flats only) (November 1, 2013 to December 31, 2013)

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats which include a mobile barcode inside or on the mailpiece that facilitates a mobile optimized shopping experience. To receive the discount, the qualifying mail must be sent during the established program period by mailers that comply with the eligibility requirements of the program.

Picture Permit Promotion (August 1, 2013 to September 30, 2013)

Eliminate the Picture Permit charge for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats that are sent during the established program period, and that include approved Picture Permit Imprint Indicia. To have the Picture Permit charge eliminated, mailers must comply with the eligibility requirements of the program.

Mobile Buy-It-Now Promotion (November 1, 2013 to December 31, 2013)

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats which include a mobile barcode inside or on the mailpiece that facilitates a mobile optimized shopping experience. To receive the discount, the qualifying mail must be sent during the established program period by mailers that comply with the eligibility requirements of the program.

Nonprofit Irregular Parcels (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per piece price, multiplying the number of pounds of the mailing by the applicable per pound price, and adding both totals.

a. Per Piece

	Nonprofit			
	5-Digit	SCF	NDC	Mixed NDC
	(\$)	(\$)	(\$)	(\$)
Per Piece	0.548	0.577	0.933	1.298

b. Per Pound

Entry Point	Nonprofit			
	5-Digit	SCF	NDC	Mixed NDC
	(\$)	(\$)	(\$)	(\$)
Origin	n/a	n/a	0.947	0.947
DNDC	0.724	0.724	0.724	n/a
DSCF	0.485	0.485	n/a	n/a
DDU	0.306	n/a	n/a	n/a

* * * * *

Nonbarcoded Parcels Surcharge

For nonbarcoded parcels pieces, add \$0.064 per piece. The surcharge does not apply to pieces sorted to 5-digit ZIP Code numbers.

Samples Promotion (August 1, 2013 to September 30, 2013)

Provide a five percent discount on the qualifying postage for Commercial and Nonprofit Standard Mail parcels (Carrier Route, High Density and Saturation, and Marketing Parcels) that are sent during the established program period, and that contain a product sample. To receive the discount, mailers must comply with the eligibility requirements of the program.

b. Barcoded Letters

Bundle Level	Barcoded Letters (\$)
5-Digit	0.205
3-Digit/SCF	0.269
ADC	0.290
Mixed ADC	0.331

c. Machinable Flats and Nonbarcoded Letters

Bundle Level	Barcoded Flats (\$)	Nonbarcoded Flats (\$)	Nonbarcoded Letters (\$)
5-Digit	0.291	0.301	0.301
3-Digit/SCF	0.381	0.404	0.404
ADC	0.397	0.421	0.421
Mixed ADC	0.424	0.457	0.457

d. Nonmachinable Flats and Parcels

Bundle Level	Barcoded Flats (\$)	Nonbarcoded Flats (\$)	Parcels (\$)
5-Digit	0.318	0.319	0.319
3-Digit/SCF	0.430	0.442	0.442
ADC	0.494	0.520	0.520
Mixed ADC	0.594	0.641	0.641

e. Editorial Adjustment

A per piece editorial adjustment is provided by subtracting \$0.00104 for each 1 percent of editorial (nonadvertising) content from the applicable piece price.

f. Firm Bundle Piece Price

Firm bundles are charged a single piece price of \$0.189.

1515 Address Management Services

1515.1 Description

* * * * *

Change-of-Address Customer Confirmation Letter Reprint

Change-of-Address Customer Confirmation Letter Reprint provides customers with a copy of the letter that is sent to the customer's new address following the filing of a Change-of-Address order with the Postal Service.

* * * * *

~~FASTforward MLOCR (Multi-line Optical Character Reader)~~

~~The FASTforward system makes change-of-address information for moves available to mailers so that it can be applied to a mail piece while it is being processed on a multi-line optical character reader. Customers use FFMUN (FASTforward Move Update Notification) electronic files to update their databases with change of address information.~~

* * * * *

Postal Explorer CD-ROM

The Postal Explorer CD-ROM provides customers with select postal regulatory publications in convenient media.

RDI (Residential Delivery Indicator) Service

The RDI data service verifies whether a delivery type is classified as residential or business. Copying is allowed for an additional fee.

* * * * *

Workshare Discounts and Benchmarks--Standard Mail High Density and Saturation Letters (Commercial and Nonprofit)

Type of Worksharing	Benchmark	Discount ^[1]	Avoided Cost ^[2]	Passthrough
Standard Mail HD / Saturation Letters				
Presorting (dollars / piece)				
High Density Letters	Carrier Route Letters	\$0.077	\$0.381	20.2%
Drop Ship (dollars / pound)				
DNDC Letters	Origin Letters	\$0.161	\$0.317	50.8%
DSCF Letters	Origin Letters	\$0.209	\$0.377	55.4%

Notes

[1] Source of Discounts: Docket No. R2013-1, Notice of Market-Dominant Price Adjustment, Attachment A, Schedules 1205, 1215

[2] Avoided Cost--Source: PRC ACD FY2011, Table VII-15 (p. 123)

Workshare Discounts and Benchmarks--Standard Mail High Density and Saturation Flats and Parcels (Commercial and Nonprofit)

Type of Worksharing	Benchmark	Discount^[1]	Avoided Cost^[2]	Passthrough
Standard Mail HD / Saturation Flats and Parcels				
Presorting (dollars / piece)				
High Density Flats	Carrier Route Flats	\$0.051	\$0.058	87.9%
^[3] High Density Parcels	Carrier Route Parcels			
Drop Ship (dollars / pound)				
DNDC Flats	Origin Flats	\$0.161	\$0.228	70.6%
DSCF Flats	Origin Flats	\$0.209	\$0.264	79.2%
DDU Flats	Origin Flats	\$0.252	\$0.304	82.9%
^[4] DNDC Parcels	Origin Parcels			
DSCF Parcels	Origin Parcels			
DDU Parcels	Origin Parcels			

Notes

- [1] Source of Discounts: Docket No. R2013-1, Notice of Market-Dominant Price Adjustment, Attachment A, Schedules 1210, 1215;
- [2] Avoided Cost--Source: PRC ACD FY2011, Table VII-15 at p. 123
- [3] Due to the introduction of Simple Samples, High Density Parcels has been eliminated as a price category
- [4] There are no discounts related to dropship in the new Simple Samples price structure for Saturation Parcels. Rows 13, and 20-22 no longer apply, and will be deleted in future filings.

Workshare Discounts and Benchmarks--Media Mail and Library Mail

Type of Worksharing	Benchmark	Discount ^[1]	Avoided Cost ^[2]	Passthrough
Media Mail				
Presorting (dollars / piece)				
Basic	Single Piece	0.47	0.47	100.0%
5-digit	Basic	0.39	0.39	100.0%
Library Mail				
Presorting (dollars / piece)				
Basic	Single Piece	0.44	0.47	93.6%
5-digit	Basic	0.37	0.39	94.9%

Notes

[1] Source of Discounts: Docket No. R2013-1, Notice of Market-Dominant Price Adjustment, Attachment A, Schedule 1425

[2] Presorting Cost Differences--Source:PRC ACD FY2011 at p. 132

Workshare Discounts and Benchmarks--Bound Printed Matter Parcels

Type of Worksharing	Benchmark	Discount ^[1]	Avoided Cost ^[2]	Passthrough
BPM Parcels / IPPs				
Presorting (dollars / piece)^[3]				
Basic Parcels / IPPs	Single Piece Parcels / IPPs	0.640	See Note [3]	
Carrier Route Parcels / IPPs	Basic Parcels / IPPs	0.098	0.154	63.6%
Presorting (dollars / pound)^[3]				
Basic, Carrier Route Parcels / IPPs	Single Piece Parcels / IPPs			
Zones 1&2		0.059	See Note [3]	
Zone 3		0.066	See Note [3]	
Zone 4		0.063	See Note [3]	
Zone 5		0.057	See Note [3]	
Zone 6		0.064	See Note [3]	
Zone 7		0.046	See Note [3]	
Zone 8		0.046	See Note [3]	
Drop Ship (dollars / piece)				
Basic, Carrier Route DNDC Parcels / IPPs	Basic Origin Parcels / IPPs	0.170	0.170	100.0%
Basic, Carrier Route DSCF Parcels / IPPs	Basic Origin Parcels / IPPs	0.616	0.655	94.0%
Basic, Carrier Route DDU Parcels / IPPs	Basic Origin Parcels / IPPs	0.765	0.789	97.0%

Notes

- [1] Source of Discounts: Docket No. R2013-1, Notice of Market-Dominant Price Adjustment, Attachment A, Schedule 1420
- [2] Presorting and Pre-barcoding Cost Differences (Per Piece)--PRC ACD FY2011 at p. 135
Drop Ship Cost Differences (Per Piece)--Source:PRC ACD FY2011 at p. 135
- [3] The BPM cost model does not estimate cost differences between single piece and presorted BPM. Single piece BPM is a residual category with low volume and adequate data are not available. Previously, rate differences between single piece and presorted BPM were based on an assumption that unit mail processing costs for single piece BPM were twice that of presorted BPM.
See Docket No R2006-1, USPS-T-38, p. 8.

5) PRODUCT SAMPLES PROMOTION

PROGRAM BACKGROUND

Product Sampling is a large growing market estimated at \$5 billion across all channels (in-store, direct mail, venue-based, etc). However, as product sampling has migrated from large saturation mailings to targeted mail programs, and as changes in pricing have made it, in most cases, cost prohibitive to use the mail, the USPS has seen significant declines in product sampling volumes over the past 10 years. In order to re-invigorate product sampling, the USPS is exploring various avenues to grow this business, including the Simple Samples program, which will be launched in January 2013. This program will simplify the preparation process and reduce prices for Marketing Parcels to meet market needs.

PROGRAM DESCRIPTION

The 2013 Product Samples Promotion will further re-invigorate product sampling via the mail by encouraging mailers to have product samples delivered by the USPS as a method to increase product usage, obtain new customers, and increase brand awareness. The foundation of this promotion will enable mailers' access to an upfront postage discount on qualifying Standard Mail® High Density and Saturation parcels, Carrier Route parcels, and Marketing Parcels that contain product samples.

PROGRAM PARAMETERS

Registration Period	May 1 through September 30, 2013
Program Period	August 1 through September 30, 2013
Discount Amount	5% of eligible postage. The Promotion discount is calculated in PostalOne!® and applied to the mailing statement at the time of mailing. Normal postage prices as listed in the published price schedule apply to the mailing, and the discount is applied to those prices.
Eligible Mail Classes	Standard Mail® Regular and Nonprofit High Density and Saturation parcels, Carrier Route parcels, and Marketing Parcels

REGISTRATION REQUIREMENTS

Program Registration: Participants and/or mail service providers must register on the Business Customer Gateway. Mailers agree to participate in a survey about the promotion. Registration opens May 1, 2013 and will continue throughout the promotion period.

MAILING SUBMISSION REQUIREMENTS

Documentation/Postage Statement: Mailings must be submitted electronically via mail.dat, mail.xml or Postal Wizard.

Participating mailers will be required to affirmatively claim this promotion on electronic postage statement submissions. All mailpieces in a mailing statement must be eligible for the promotion. Note, the discount must be claimed at the time of mailing and cannot be rebated at a later date.